- Industry representatives set sights on Tulsa
- AFL-CIO production unit has eyes for cable
- 'Newsday' to splash on TV with 24-hour channel
- Associations organize efforts to stop thefts

CableVision

The news and features weekly of the cable television industry October 25, 1982 $3.00

C8920-2

Minorities & cable

CVFV20014CON452 053082/1
SUSAN GARNER ACQ EDT
CONGRESSIONAL INFO SERVICE
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

The interconnect of the '80s

Cox, Daniels and TM: Packaging cable to sell

CableVision | October 25, 1982. Volume 8, Number 8

Between the lines/5
CableScope/9
Newswire/10
Leading the week/13
Programming/21
Advertising/28
CableVision Plus/31
Business/57
Mid-America show/65
Technology/69
People/70
Classifieds/71
Advertisers' index/74
Events/75
From Washington/76
Cable stats/79
Parting words/82

TITSCH COMMUNICATIONS, INC.: *President,* Robert Titsch; *Executive Vice President,* Paul Fitz-Patrick; *Vice President, Editorial,* Patrick Gushman; *Controller,* Michael Borer; *Director of Operations,* Michael McCready. **EDITORIAL OFFICES: Denver:** *Managing Editor,* Jim Craig; *Associate Managing Editor,* Wayne H. Lasley; *Editor,* CableVision; Plus, Victoria Gits; *Managing Editor,* CableVision Plus, Madeline Hardart; *Associate Editor,* David Murdock; *Assistant Editors,* Gretchen Dietsch, Judith Schwall; *Editorial Assistant,* Patricia Major; **New York:** *Bureau Chief,* Victor Livingston; *Senior Editor,* Jeri Baker; *Associate Editors,* Jean Bergantini Grillo, Gary Rothbart, David Stoller; *Assistant Editors,* Simon Applebaum, Karen Bloom; **Washington, D.C.:** *Associate Editors,* Peter Evanow, Craig Leddy; *Cable Statistical Editors,* Mira Dabrowski, Kate Hampford; *Research Associate,* Maribeth Thelen; **Los Angeles:** *Bureau Chief,* Eric Taub; **PRODUCTION:** *Production Director,* Vickie Champion; *Art Director,* Brad Hamilton; *Artists,* Earl V. DeWald, Becky Johnson, Brent D. Veysey, Shari Wajda; **ADVERTISING: Denver:** *Account Executives,* Lawrence P. Dameron III, Kimberly Korb, Cathy Lynn Wilson; *Classified Manager,* Suzanne Sparrow; *Customer Service,* Marcia Larson; *Circulation Director,* James Stein; *Traffic,* Pam Macy; **New York:** *Regional Sales Manager,* Sherwood S. Sumner; *Account Executive,* Cathy Rasenberger. **OFFICES: Denver** 2500 Curtis Street, Denver, Colorado 80205 -or- P.O. Box 5727-TA, Denver, Colorado 80217, (303) 295-0900 **Washington Bureau** 1701 K Street, N.W., Suite 505, Washington, DC 20006, (202) 835-0900 **New York Bureau** 488 Madison Avenue, New York, New York 10022, (212) 308-0415 **West Coast Bureau** 101 North Robertson Boulevard, Suite 206, Beverly Hills, California 90211, (213) 659-3965

© Titsch Communications, Inc., 1982. All rights reserved. *CableVision* (USPS 100-430) (ISSN 0361-8374) is published weekly except the week of January 3, 1983 by Titsch Communications, Inc., 2500 Curtis Street, Denver, Colorado 80205 -or- P.O. Box 5727-TA, Denver, CO 80217. October 25, 1982. Volume 8, Number 8. Subscription price: 1 year, $59.00; 2 years, $106.00; 3 years, $142.00. Outside USA: 1 yr.-$109; 2 yrs.-$196. US FUNDS ONLY. Second-class postage paid at Denver, Colorado. POSTMASTER: Please send form 3579 to *CableVision*, P.O. Box 5727-TA, Denver, CO 80217.

Member of the Audit Bureau of Circulation.

Julie Raynor

'Newsday' splash

Newsday, the nation's largest evening newspaper, enters the cable business with a 24-hour channel to debut this spring on the Cablevision of Long Island system. **Leading the week, pages 13-18.**

Minority connection

The NCTA sponsored a two-day seminar in Washington to help minorities find ways to market, finance and manage cable enterprises. **Leading the week, pages 13-18.**

Laborvision

The AFL-CIO launched its new program production unit, the Labor Institute of Public Affairs. The organization has bought time on cable systems and is eyeing cable markets for future programming. **Leading the week, pages 13-18.**

Warner prognostications

Where is Warner Communications going? Howard Anderson of the Yankee Group prognosticated about Warner's future during a New York seminar and found more than Pac-Man in the company's prospects. **Leading the week, pages 13-18.**

Beaming up

United Video has moved into its new home in Tulsa, Okla., and adopted a new strategy for the future. Included in that change are some possible joint ventures with WGN. **Leading the week, pages 13-18.**

Laughter bent

Home Box Office, Showtime and The Entertainment Channel are planning original comedy series as part of the new upcoming season. Each service has taken a different direction to carve out an individual niche. **Page 21.**

Gala expansion

When GalaVision enters its third year Nov. 1, the amount of first-run programs will be increased, which represents a change in plans for SIN Television Network's pay channel. **Page 22.**

UTV sales pitch

Is the second generation of advertiser-supported cable services about to be born? The creators of UTV "talk back" television hope it is. **Page 28.**

Stop - thief

Theft of cable equipment is a growing problem nationwide and has spurred several trade associations to take organized action to stem the tide. **Page 57.**

Educational process

Converting society from the old to the new electronic communications era was the focal point of a far-reaching discussion by cable leaders before a group of Harvard University faculty members. **Page 57.**

Mid-America show

Some 700 cable representatives are expected to turn out for the 25th annual Mid-America meeting and show in Tulsa, Okla., Oct. 19-21 at the Excelsior Hotel. **Page 65.**

About the cover

Washington-based freelance photographer Budd Gray took this week's cover shot of Sylvia Marshall, director of Human Resources for the NCTA, and many of the participants in the recent Minorities and Cable Symposium.

PLUS

This week in

There's something more appealing about good things when they are wrapped up in a package, especially if it costs more to buy the items inside separately. Several MSOs are betting that classic ploy applies to selling cable. They have started a trend that is blurring the distinctions between basic and pay and are rewriting the cable menu. *CableVision*'s Jeri Baker examines the phenomenon in detail. . . How do you publish a program guide that not only sells, informs and educates, but doesn't cost a fortune? That's the operators' dilemma. David Stoller reports on the state of the art in guide publishing and what some MSOs are doing to sort out the options. **Pages 31-54.**

Profile: 1982

	Arkansas	Kansas	Missouri	Nebraska	Oklahoma	Total
Number of systems	153	164	140	96	213	766
Number of communities served	245	226	241	121	272	1,105
Basic subscribers	308,287	391,121	361,504	179,464	483,217	1,729,182
Pay units	144,365	206,398	220,875	110,845	353,631	1,036,114
Homes passed	475,769	629,058	540,515	302,063	1,142,983	3,090,388
Plant miles	7,392	6,764	7,015	3,180	12,186	36,537
Basic/HP	64.8%	62.2%	66.9%	59.4%	42.3%	55.9%
Pay/basic	46.8%	52.8%	61.1%	61.8%	73.2%	59.9%
Subs per mile	41.7	57.8	51.5	56.4	39.9	50.1
Homes per mile	64.4	93.0	77.1	94.6	93.8	84.3

Regional focus: Mid-America

The "heartland" states that compose the geographic center of the United States do not possess the large population bases or the high density areas common to the coastal regions of the nation. However, when it comes to cable, the area is equal to, or not far behind, its regional counterparts.

Arkansas, Kansas, Missouri, Nebraska and Oklahoma are the representative states of the Mid-America region. Major population centers tend to be hundreds of miles apart with small and medium-sized communities scattered around and between the metropolitan areas. Those large expanses of distance are made for cable in terms of receiving any television reception. Rural areas typically have high penetration levels that are offset by lower levels found in the newly cabled metropolitan areas. Most major cities are cabled, unlike other sections of the nation.

Basic penetration ranges from 42-67 percent for an average of 56 percent. That figure is below the national average of 59.1 percent, but represents the same percentage found in the Southern region. Pay penetration figures show a 47-73 percent range for a 60 percent average. That figure is above the national average.

Arkansas, Kansas and Missouri are very similar in profile regarding the number of systems, total subscribers and other categories. Nebraska has the fewest systems and the lowest subscriber total. However, Nebraska has the best overall penetration rate. Oklahoma has the most systems and represents the highest pay penetration figure. Its basic penetration rate, however, is the lowest in the five-state area.

Arkansas

Computer Utilities of the Ozarks Inc.
P.O. Box 1062
Harrison, Ark. 72601
(501) 743-1616

Davco Electronics
P.O. Box 2456
Batesville, Ark. 72501
(516) 793-3816

H&R Communications Inc.
Route 3, Box 103G
Pacahontes, Ark. 72405
(501) 647-2291

McCullough Satellite Systems Inc.
Route 5, Box 97
Salem, Ark. 72576
(501) 895-3167

Mid-America Video Corp.
P.O. Box 511
North Little Rock, Ark. 72115
(800) 643-5514

Music Box Co.
111 West Sixth St.
P.O. Box 182
Hope, Ark. 71801
(501) 777-1111

Vidiark Electronics Development Co.
P.O. Box 57
Salem, Ark. 72576
(501) 895-3167

WEHCO Video Inc.
P.O. Box 2221
Little Rock, Ark. 72203
(501) 378-3464

Kansas

BEI (Beston Electronics Inc.)
Box 106-A
Olathe, Kan. 66061
(913) 764-1900

Communications Service Inc.
140 W. 8th St.
Junction City, Kan. 66441
(913) 762-2570

Krob Trenching Service
Box 509
Stockton, Kan. 67669
(913) 425-7128

Mycro-Tek
820 W. Second St.
Wichita, Kan. 67203
(800) 835-5022

North Supply Co.
10951 Lakeview Ave.
Shawnee Mission, Kan. 66219
(800) 255-6458

Stelco Inc.
5500 Kansas Ave.
Kansas City, Kan. 66106
(913) 287-1500

Taikan Co. Inc.
P.O. Box 3327
Lawrence, Kan. 66044
(913) 841-5538

Missouri

A.B. Chance Co.
210 N. Allen St.
Centralia, Mo. 65240
(314) 682-5521

Antenna Development and Management Co.
P.O. Box 1178
Poplar Bluff, Mo. 63901
(314) 785-5988

Cable Card Club Inc.
13605 S. 71 Hwy.
Grandview, Mo. 64030
(800) 821-3024

Cable Films
Country Club Station
Country Club Village, Mo. 64113
(913) 362-8375

Cencom Cable Associates Inc.
14500 S. Outer 40 Rd.
Suite 210
Chesterfield, Mo. 63017
(314) 576-4446

Cybertech Inc.
3100 Broadway
Suite 111
Kansas City, Mo. 64111
(816) 561-1800

Grasis Corp.
P.O. Box 1039
Kansas City, Mo. 64141
(816) 483-1100

Graybar Electric Co. Inc.
34 North Meramec
P.O. Box 7231
Clayton, Mo. 63177
(800) 323-0734

Great Plains Inc.
P.O. Box 32
Lamar, Mo. 64759
(417) 682-3536

Lemco Engineers Inc.
11933 Westline Industrial Dr.
St. Louis, Mo. 63141
(314) 576-5950

Lenco Inc. Electronic Division
300 N. Maryland St.
Jackson, Mo. 63755
(314) 243-3147

McCabe-Powers Body Co.
8900 Frost Ave.
Berkeley, Mo. 63134
(314) 524-8000

Ogden, Curt Equipment Co. Inc.
500 S. Highway Dr.
Fenton, Mo. 63026
(314) 343-5000

Rycom Instruments Inc.
9351 E. 59th St.
Kansas City, Mo. 64133
(816) 353-2100

Starpath Inc.
Route 1, Box 188
Fisk, Mo. 63940
(314) 967-3291

Telcom Engineering Inc.
18040 Edison Ave.
Chesterfield, Mo. 63017
(314) 532-3535

Telex CATV Engineering Inc.
10616 Saint Xavier St.
Saint Ann, Mo. 63074
(314) 423-4863

Turner Cable Construction Co.
P.O. Box 576
Salem, Mo. 65560
(314) 729-3119

Turner Manufacturing
P.O. Box 576
Salem, Mo. 65560
(314) 729-3119

Uni Watch
712 Westport Rd.
Kansas City, Mo. 64111
(800) 821-6595

Videodisc Broadcasting Co.
13605 S. 71 Hwy.
Grandview, Mo. 64030
(816) 765-9500

Nebraska

Auburn Consolidated Industries Inc.
P.O. Box 350
Auburn, Neb. 68305
(402) 274-4911

Avtek Inc.
1001 12th
Aurora, Neb. 68818
(402) 694-5201

Computel Inc.
1765 Washington
Blair, Neb. 68008
(402) 426-9511

Interstate Line Contractors
P.O. Box 454
Nebraska City, Neb. 68410
(402) 873-9188

McMartin Industries Inc.
4500 S. 76th St.
Ralston, Neb. 68127
(402) 331-2000

McShane, James E., Attorney-at-Law
2436 Fontenelle Blvd.
Omaha, Neb. 68104
(402) 553-0957

Oklahoma

Automation Techniques Inc.
1846 N. 106 E. Ave.
Tulsa, Okla. 74116
(918) 836-2584

B-W Lighting Systems
710 East 46th St.
P.O. Box 45162
Tulsa, Okla. 74148
(918) 664-1111

Budco Inc.
4910 East Admiral Pl.
Tulsa, Okla. 74115
(918) 836-3111

Cabletext
8252 S. Harvard
Tulsa, Okla. 74136
(918) 481-0881

Community Antenna Television Journal
4209 N.W. 23rd
Suite 106
Oklahoma City, Okla. 73107
(405) 947-7664

Delcom Corp.
6019 S. 66th E. Ave.
Tulsa, Okla. 74145
(918) 494-9500

Ditch Witch
P.O. Box 66
Perry, Okla. 73077
(405) 336-4402

Electronic Program Guide
3801 S. Sheridan Rd.
Tulsa, Okla. 74145
(800) 331-4806

First National Bank of McAlester
P.O. Box 948
McAlester, Okla. 74501
(918) 426-0211

K&B Contractors
1888 E. 15th
Tulsa, Okla. 74104
(918) 744-0844

Lifestyle
3801 S. Sheridan Rd.
Tulsa, Okla. 74145
(800) 334-1561

Milner, George, Inc.
3601 Mistletoe Dr.
Ponca City, Okla. 74601
(405) 765-4011

R&V Video
3120 S. 108th E. Ave.
Tulsa, Okla. 74145
(918) 664-0800

Satellite Program Network Inc.
8252 S. Harvard
Tulsa, Okla. 74136
(918) 481-0881

Satellite Syndicated Systems Inc.
P.O. Box 45684 -
Tulsa, Okla. 74145
(918) 481-0881

Southern Satellite Systems Inc.
8252 S. Harvard
Tulsa, Okla. 74136
(918) 481-0881

UEC Manufacturing Co.
121 N.E. 52nd St.
P.O. Box 54979
Oklahoma City, Okla. 73154
(405) 528-3446

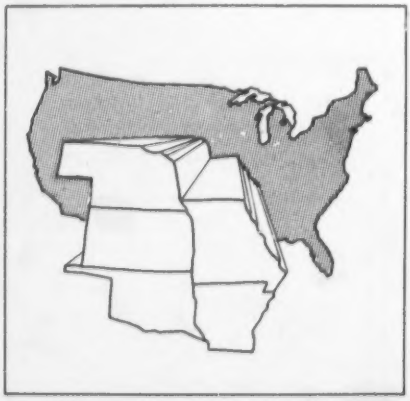
United States Tower Co.
P.O. Box 1438
Miami, Okla. 74354
(918) 540-1574

United Video Inc.
5200 S. Harvard
Suite 215
Tulsa, Okla. 74135
(800) 331-4806

Utility Tower Co.
3200 N.W. 38th
P.O. Box 12369
Oklahoma City, Okla. 73157
(405) 946-5551

Video Communications Inc.
6555 E. Skelly Dr.
Tulsa, Okla. 74145
(809) 331-4077

WFMT
3801 S. Sheridan Blvd.
Tulsa, Okla. 74145
(800) 331-4806

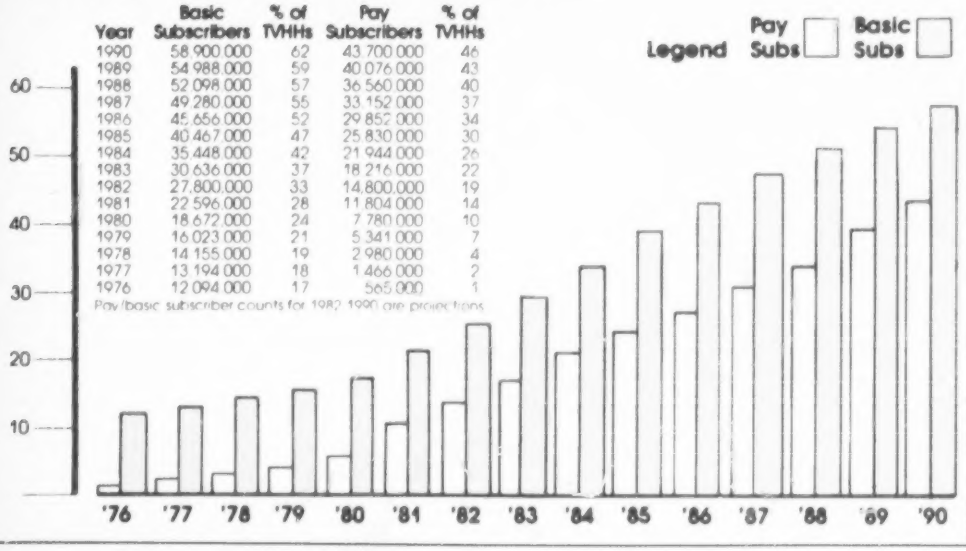


Cable stats

Pay/basic cable growth

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58,900,000	62	43,700,000	46
1989	54,988,000	59	40,076,000	43
1988	52,098,000	57	36,560,000	40
1987	49,280,000	55	33,152,000	37
1986	45,656,000	52	29,852,000	34
1985	40,467,000	47	25,830,000	30
1984	35,448,000	42	21,944,000	26
1983	30,636,000	37	18,216,000	22
1982	27,800,000	33	14,800,000	19
1981	22,596,000	28	11,804,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1982-1990 are projections.



Cable barometer

Television households (TVHH) 82,100,000

Homes passed by cable (HP) . 44,732,230

Percent of TVHH passed by cable 54.5%

Basic cable subscribers . 26,421,666

Percent of TVHH with basic cable 32.2%

Percent of HP with basic cable 59.1%

Pay cable units 14,026,919

Percent of TVHH with pay cable 17.1%

Percent of HP with pay cable 31.4%

Percent of basic subs with pay cable .. 53.1%

Figures are as of August 1982

Satellite lineup

Satcom III-R (RCA Americom)

	Transponder
Warner Amex (Nickelodeon/ARTS)	1
PTL Satellifen Network	2
United Video (WGN, WFMT, Lifestyle, Dow Jones, JISAL)	3
Times Mirror for Spotlight	4
Warner Amex (The Movie Channel)	5
Southern Satellite Systems (WTBS, Cabletext, Reuters News View, North American Newstime/The Travel Channel, Dow Jones Cable News)	6
ESPN	7
CBN Cable Network	8
USA Network	9
Showtime (west)	10
Warner Amex (MTV: Music Television)	11
Showtime (east)	12
HBO (west)	13
Cable News Network	14
Warner Amex owned (for CNN2)	15
Showtime, ACSN, National Jewish Television, HTN Plus	16
Showtime, (Cable Health Network)	17
Reuters, Eternal Word Television Network (8 p.m.-12 a.m.)	18
C-SPAN	19
HBO (Cinemax-east)	20
Landmark/The Weather Channel	21
HBO/Modern Satellite Network, leased for Daytime	22
HBO (Cinemax-west)	23
HBO (east)	24

Satcom IV (RCA Americom)

	Transponder
ESPN (Bravo)	6
National Christian Network (Escapade)	7
RCTV/The Entertainment Channel	8
Warner Amex	11
Showtime (subleased to Compact Video)	15
Trinity	17
HBO	18
American Network	19

Satcom V—Projected launch mid-1983
Satcom I-R—Projected launch September 1983
Satcom II-R—Projected launch September 1983

Westar IV (Western Union)

	Transponder
CBS Cable	3D
Wold Communications	5D
Wold Communications (Financial News Network, SelecTV)	5X
SIN	8X
Wold Communications—pay service TBA	9X
Wold Communications (EROS)	10D
SPN	11X
GalaVision	12X

Also, ABC TV, Bonneville, PBS, Hughes Television Network, American Satellite, Intelsat, and Equatorial will have transponders on Westar IV.

Westar V (Western Union)

	Transponder
Hughes TV	1D
CBS/Fox	1X
WOR (subleased from Westinghouse by Rbt. Wold Co)	2D
Dow Jones/UTV Cable Network	2X
Citicorp	3D
Dow Jones	3X
CBS Cable	4D
Satellite News Channel I	4X
American Satellite Co. (AmSat)/TCI	5D
AmSat	5X
Satellite News Channel I	6D
AmSat	6X
AmSat/DCM	7D
Satellite News Channel I	7X
Satellite News Channel II	8D
Satellite News Channel I and II (incoming)	8X
Nashville Network	9D
Satellite News Channel I	9X
Citicorp	10D
American Medical Buildings	10X
Group W Satellite Corp. (east)	11D
Digital Communications Corp.	11X
Group W Satellite Corp. (west)	12D
TCI/BET	12X

Galaxy I (Hughes Communications)—Projected launch May 1983, 24 transponders, 4/6 GHz Transponders reserved: Time Inc. (6), Westinghouse (4), Turner Broadcasting (2), Times Mirror (2), Viacom (2), SIN (2), C-SPAN (1).
Galaxy II—Projected launch September 1983, 24 transponders, 4/6 GHz.
Galaxy III—Launch date pending demonstration of market demand, 24 transponders, 4/6 GHz.

Spacenet I (Southern Pacific Communications)—Projected launch February 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz. Transponders reserved: SSS (3), Pop Network (3), SIN (2), Landmark Communications (2), Bonneville International (3), Southern Baptist Convention (2), United Video (1), Midwest Radio & TV (1), Double-B Enterprises (1), Rainbow Communications (1) and NBC (1).
Spacenet II—Projected launch October 1984, 18 transponders-4/6 GHz, 6 transponders-12/14 GHz.
Spacenet III—presently being built.

Top 100 MSOs

Rank	Multiple System Operator	Basic Subs	
1	Tele-Communications Inc.[1]	2,200,000	
2	American Television and Communications	1,949,525	(6/82)
3	Group W Cable	1,759,921	
4	Cox Cable Communications	1,227,543	(9/82)
5	Storer Cable Communications	1,063,041	
6	Warner Amex Cable Communications	1,000,000	
7	Times Mirror	715,754	(7/82)
8	Rogers-UA Cablesystems	650,465	
9	Newhouse Broadcasting[2]	646,277	
10	Viacom Cablevision[3]	543,098	(7/82)
11	Continental Cablevision	532,000	
12	United Cable Television Corp.	504,324	
13	Sammons Communications	502,152	(9/82)
14	TeleCable Corp.	354,500	
15	Capital Cities Cable	308,358	
16	General Electric Cable	300,000	
17	Heritage Communications	254,761	
18	Comcast Corp.	249,834	(7/82)
19	Cablevision Systems Development	242,000	
20	Liberty Communications	233,000	(6/82)
21	Wometco Communications	215,818	
22	Tele-Media Corp.	207,800	
23	TCA Group	206,500	
24	Service Electric Cable TV	189,500	
25	Multimedia Cablevision[4]	184,898	(9/82)
26	Jones Intercable	178,695	(9/82)
27	Daniels & Associates	178,100	
28	Maclean Hunter	173,037	
29	Century Communications	170,000	
30	Colony Communications	158,260	(7/82)
31	Western Communications	148,500	
32	Prime Cable	145,000	(9/82)
33	Centel Cable Television	137,438	
34	Harris Cable Corp.	122,500	
35	Tribune Company Cable	117,000	
36	Rollins Cable Vue	115,000	
37	Midwest Video	114,615	(12/81)
38	Communications Service Inc.	110,000	(8/81)
39	Harron Communications	102,341	
40	McCaw Communications	101,855	
41	Cable Vision Industries	95,645	
42	Buckeye Cablevision	91,730	
43	Communications Systems Inc.	90,741	(9/82)
44	Sutton Capital Group[5]	90,008	
45	Midcontinent Cable Systems[6]	87,144	
46	Armstrong Utilities	85,966	
47	Adams Russell	80,117	
48	McDonald Group	79,444	
49	Southmedia	78,668	(9/82)
50	Cablentertainment	78,582	
51	Omni Cable TV	78,099	
52	Buford Television	76,653	
53	Multi-Channel TV Cable Co.	75,400	
54	Televents	73,532	
55	King Videocable Co.	72,859	
56	Cable America	72,200	
57	Alda Group	71,446	
58	Palmer Communications	71,103	
59	The Essex Group	70,298	
60	Summit Communications	67,245	(9/82)
61	Perry Cable TV Corp.	64,429	
62	WEHCO Video	62,364	
63	National Telecommunications Co.	62,125	(9/82)
64	American Cablesystems Corp.	60,799	
65	Omega Communications	60,000	
66	Coaxial Communications	60,000	
67	Ultracom Inc.	59,189	(10/82)
68	Adelphia Communications	58,099	
69	Booth Communications	56,112	
70	US Cable Corp.	55,273	
71	Pencor Services Inc.	55,102	
72	Acton Corp.	53,000	
73	Harte-Hanks Communications	53,000	(6/82)
74	Consolidated Cable Systems	51,900	
75	Total TV Inc.	48,188	
76	Marsh Media	48,000	
77	Clear TV Cable Corp.	46,065	
78	The Daily Press	45,000	
79	Sonic Cable TV	43,995	
80	Falcon Communications	43,000	
81	Lenfest Group	42,552	
82	Greater Media	41,218	
83	Susquehanna Broadcasting	40,500	
84	NorCal Cablevision (McClatchy-Viacom)	40,483	
85	Selkirk Communications	39,380	(10/82)
86	Joseph S. Gans	33,300	(3/82)
87	Cable Holdings Inc.	30,000	
88	Columbia Communications	28,586	
89	Helicon Corp.	28,200	
90	United Video Management	28,000	
91	The LBJ Co.	26,717	
92	American Cable Television Inc. (Phoenix, Ariz.)	26,585	
93	Cable Communications of Iowa	26,483	
94	National CableSystems Inc.	25,600	
95	United Broadcasting	25,440	
96	Mid America Media	25,364	
97	Matrix Enterprises	25,251	
99	Combined Cable Communications	25,072	
99	MultiVision Group	24,694	
100	Mickelson Media	24,385	

[1] Number is a company estimate; the last official subscriber count is as of 12/81
[2] Includes MetroVision, NewChannels, Vision Cable
[3] Includes 40% ownership in NorCal Cablevision
[4] Includes Tar River Communications
[5] Includes systems owned and with controlling interest
[6] Includes owned and partially owned systems

Top 100 systems

Rank	Location	Operator	Basic Subs	
1	San Diego, Calif.	Cox Cable	218,902	(6/82)
2	Manhattan, N.Y.	ATC	159,225	(6/82)
3	Oyster Bay (Long Island), N.Y.	Cablevision Systems	164,978	
4	West Orange, N.J.	Maclean Hunter	140,457	
5	Santa Monica (L.A. area), Calif.	Group W Cable	112,608	
6	San Antonio, Texas	Rogers-UA	128,255	
7	Wayne, N.J.	Rogers-UA Cable	109,900	
8	Tulsa, Okla.	United Cable	101,272	
9	Audubon, N.J.	NYT Cable	94,777	
10	Erie County, N.Y.	Prime Cable	96,000	
11	San Jose, Calif.	Gill Industries	91,954	
12	Tidewater, Va.	Cox Cable	86,973	
13	Austin, Texas	ATC	83,500	(6/82)
14	Central Islip, N.Y.	Viacom	82,603	
15	Orlando, Fla.	ATC	80,450	(6/82)
16	Seattle, Wash.	Group W Cable	77,840	
17	Jefferson Parish/Kenner, La.	Cox Cable	75,991	
18	Manhattan, N.Y.	Group W	75,000	
19	Toledo, Ohio	Buckeye Cablevision	74,628	
20	Honolulu, Hawaii	ATC	71,000	(6/82)
21	Grand Rapids, Mich.	General Electric	70,800	
22	Houston, Texas	Gulf Coast Cable	70,406	
23	Wilmington, Del.	Rollins Cable	67,963	
24	New Britain, Conn.	United	65,817	
25	Memphis, Tenn.	ATC	65,550	(6/82)
26	Jacksonville, Fla.	ATC	65,100	
27	Baton Rouge, La.	Daniels	63,500	
28	San Francisco, Calif.	Viacom	62,137	(5/82)
29	San Diego, Calif.	ATC	61,575	(6/82)
30	Columbus, Ohio	Warner Amex	60,000	
31	Flint, Mich.	Comcast	59,929	
32	Wichita, Kan.	Multimedia Cable	59,710	(6/82)
33	Baltimore County, Md.	Cottec Cable	59,517	
34	Santa Barbara, Calif.	Cox Cable	57,680	
35	Buffalo, N.Y.	Minneapolis Star	57,629	
36	Monterey, Calif.	Western	57,300	
37	Henrico County/Richmond, Va.	Continental	56,000	(5/82)
38	Allentown, Pa.	Twin County	55,000	
39	Suburban Rochester, N.Y.	People's Cable	54,841	
40	Melbourne, Fla.	ATC	53,925	(6/82)
41	Greater San Juan, Puerto Rico	Harris Cable	53,333	
42	El Paso, Texas	Group W Cable	52,319	
43	Harrisburg, Pa.	Sammons	52,066	
44	Snohomish County, Wash.	Viacom	51,444	
45	Binghamton, N.Y.	NewChannels	51,126	
46	Louisville, Ky.	Times Mirror	50,412	
47	Seattle, Wash.	Viacom	49,647	
48	Boston Complex, Mass.	Warner Amex	49,200	
49	Columbus, Ohio	Coaxial Comm.	48,498	
50	Pompano Beach, Fla.	American Cable TV	48,100	
51	Englewood, Colo.	United Cable	47,592	
52	Canton, Ohio	Warner Amex	47,200	
53	Reading, Pa.	ATC	47,000	(6/82)
54	Sarasota, Fla.	Storer Cable	46,731	
55	Shreveport, La.	ATC	46,500	
56	Hartford/Meriden, Conn.	Times Mirror	46,430	
57	Dade/Broward Counties, Fla.	Storer	46,206	
58	West Haven, Conn.	Storer	46,125	
59	Des Moines, Iowa	Heritage	46,018	
60	Peoria, Ill.	General Electric	46,000	
61	San Rafael/Marin, Calif.	Viacom	45,854	
62	San Diego County, Calif.	Times Mirror	45,763	
63	Charlotte, N.C.	ATC	45,700	(6/82)
64	Akron, Ohio	Warner Amex	44,400	
65	Jackson, Miss.	ATC	44,050	(6/82)
66	Eugene, Ore.	Group W Cable	43,851	
67	NW Houston, Texas	Warner Amex	43,700	
68	Albany, N.Y.	ATC	43,375	(6/82)
69	Spokane, Wash.	Cox Cable	42,300	
70	Scranton, Pa.	Vertu Cable TV	41,815	
71	Birmingham, Ala.	ATC	41,400	(6/82)
72	Moline/Quint Cities, Ill.	Cox Cable	41,106	
73	Bridgeport, Conn.	Alda Group	41,100	
74	Bakersfield/Kern Co., Calif.	Warner Amex	40,116	
75	Branford, Conn.	Rollins Cable	40,000	
76	Lincoln, Neb.	MetroVision	39,868	
77	Charleston, S.C.	Storer	39,753	
78	Brookhaven, N.Y.	Rogers-UA Cable	39,645	(4/82)
79	Lansing, Mich.	Continental	39,500	
80	Port Arthur, Texas	Liberty	39,314	
81	Overland Park, Kan.	TeleCable Corp.	39,200	(5/82)
82	St. Petersburg, Fla.	Group W Cable	38,593	
83	West Palm Beach, Fla.	Group W Cable	38,199	
84	Cleveland, Ohio	Viacom	37,903	
85	Winston-Salem, N.C.	Summit Commun.	37,819	
86	Fayetteville, N.C.	ATC	37,525	(6/82)
87	Springfield, Ill.	Times Mirror	37,303	
88	Deerfield, N.Y.	Harron Commun.	37,285	
89	Dover, N.J.	Sammons	37,200	
90	Honolulu, Hawaii	TV Systems Inc.	37,000	
91	Beacon, N.Y.	Colony Commun.	36,112	
92	Cleveland, Ohio	Cox Cable	35,756	
93	South Bend, Ind.	Buford	35,552	
94	Pensacola, Fla.	Cox Cable	35,077	
95	Palm Desert, Calif.	Palmer Commun.	35,000	
96	Cincinnati Suburbs, Ohio	Warner Amex	34,200	
97	Madison, Wis.	Complete Channel TV	34,000	
98	Evansville, Ind.	General Electric	34,000	
99	Englewood, Colo.	United Cable	33,893	
100	Concord, Calif.	Western	33,636	

Note: Subscriber counts for MSOs and systems are as of 8/82 unless noted otherwise.

Chasing the aftermarket

By Victoria Gits

In movieland, the videocassette recorder (VCR) is as popular as a party of beer-crazed motorcycle nuts at a family diner. Film industry champion Jack Valenti calls it an instrument of mass plagiarism and a "tapeworm" sponging off the creative property of movie producers and writers.

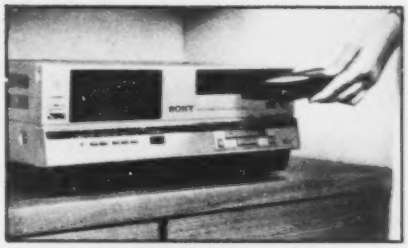
To manufacturers, retailers and the Home Recording Rights Coalition, the VCR is an innocent machine employed by prime-time deprived shiftworkers and conscientious parents.

For communications lawyers, the controversy over copyright infringement and VCR use is a windfall. (See story on page 14 about Universal Studios and Disney Productions' suit against Sony Corp., a landmark question set to be heard by the Supreme Court.)

At ABC, the VCR has opened the door to a bold experiment designed to recoup some of the viewers the network has lost to pay TV. In May, ABC announced a scheme to broadcast premium TV fare in the early morning hours to customers' recorders and decoders. Named Home View Network, it's a service that is sure to be a hit in uncabled areas of major cities and will help boost the profits of hardware retailers too.

Since 1975, when the first home video recorder liberated the first viewer from *TV Guide* bondage, business boomed. Video specialty shops sprang up on every Main Street and shoppette block across the country. Compared to 1979 when there were but a few hundred such outlets, there are today an estimated 8,000 to 10,000 home video stores—a number way out of proportion to the 3.5 million recorders currently in American homes.

In 1981, sales to dealers of VCRs totaled 1.4 million, says the Electric Industries Association (EIA). This year, sales are expected to hit two million. The Yankee Group, a Boston-based marketing and research firm, estimates VCR unit



When the box-office excitement is over, will pay cable or video software feed America's appetite for films?

Rob Stuebrk

Shopping for movies to play at home: A pastime on the decline?

sales in the realm of 13 million a year by 1985.

Sales of blank tapes in 1981 reached 28 million units valued at $344 million (source: International Tape Association), while sales of prerecorded tapes were 5.5 million in the same year, as reported by the Video Software Dealers Association (VSDA). Those figures mean to advocates of a VCR royalty tax that too much copying of film product, and not enough buying, is the order of the day.

Some say the cabling of the major cities and the introduction of pay cable is an eventuality that is sure to take the fire out of prerecorded cassette videodisc sales altogether.

Looking to 1990, International Resource Development Inc. predicts in a recent report that various forms of pay TV combined (pay cable, STV, MDS and DBS) will achieve a wide lead in popularity over videocassettes and discs. Pay TV will be 2.7 times as popular as home video and will account for $17 billion in revenues compared to $3.9 billion, says IRD.

That conclusion is based on "the far greater *convenience value* and *freshness/aliveness/sharability*" factors of pay TV. The typical pay TV subscriber today can view 35 to 45 new movies a month for $8 to $12.50. Renting eight to 10 videocassettes per month would cost $40 to $50, would consume considerably more shopping time and would have less conversational value (Source: "Telepay Vs. Videodisc: The Exploding Pay-Per-View Market," Sept. 1982, IRD Inc., Norwalk, Conn.).

Cheaper to rent

The home video market apparently has not been all that the movie studios had hoped for. The chief villain here is rentals. Industry studies show an average of six to eight rentals at $4 per unit for every sale as of 1981. Paramount Home Video reports new releases often average 30 rentals for every sale (Source: "Interactive, One-Way and Stand-alone Entertainment, April-May 1981, The Yankee Group, Boston, Mass.). According to the VSDA's Risa Solomon, executive vice president, the average is 2.5 tapes sold per VCR owner per year.

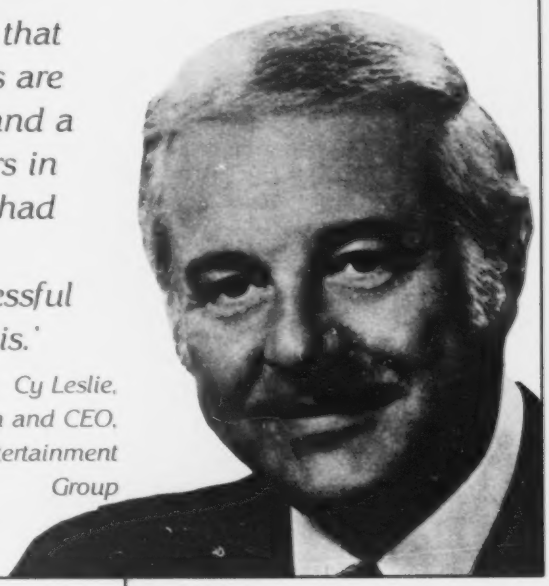
So dimly do movie studios view these statistics, they have taken to threatening a wholesale boycott. In a hearing in late September before the House Judiciary Subcommittee, Disney and CBS/Fox executives promised to withhold product from home video markets if the first-sale doctrine is not repealed. To sweeten the deal, they promised to cut prices 20 to 50 percent.

(Note: The first-sale doctrine is the legal principle that underlies the rental business. It says anyone who buys a copy of a work has the right to sell, rent or lend it to anyone else. Repeal of the right of first-sale doctrine would effectively put a stop to rentals. Repeal is a feature of two royalty bills favored by the film industry.)

The studios are hunting anxiously for some way to increase "sell-through," or direct sales of videotapes. Says Cy Leslie, chairman and CEO of MGM/UA Home Entertainment Group," "It's important that we establish a sales mode for cassettes. A rental mode is not nearly as significant in terms of return on this enormous film investment as a sales mode."

'When I analyzed that 120,000 machines are generating three and a half million dollars in videodisc sales, I had to conclude it is enormously successful on a software basis.'

Cy Leslie, chairman and CEO, MGM/UA Home Entertainment Group



Tough sell

"Everybody thought it would be a sell business," says Solomon, "but right from the beginning there were people renting." The rental aspect so much dominated the market that movie companies started tacking on "rental surcharges" to make up for the lack of sell-through. The average price of the videocassette to the consumer went from $59.95 in 1980 to $75 in 1982. (The cost to the retailer increased from about $35 to $55 or $60.)

The high prices "definitely affected sales and the number of copies retailers ordered," Solomon says, and consequently, rental activity increased.

Paramount responded in early 1981 with the first studio lease-rental plan in which the studios maintained ownership of product and leased it to stores for a set rate over a given period of time. Each of the major suppliers—Warner Home Video, Walt Disney, CBS-Fox and MGM-UA—came up with a different plan.

For the store owners, "It was an (administrative and bookkeeping) nightmare," Solomon says. They "boycotted, refused and lost money." It was "mass confusion," for a year, with studios instituting new policies as often as four times in a six-month period.

Blue light special

"Manufacturers found they weren't moving very much product on the marketplace. A lot of stores didn't carry it all. A lot bought in very limited quantities," Solomon says.

"The popularity of a title on cassette is about 12 weeks (after release in movie theaters). And after that, it dies . . . The retailers could not afford to buy a lot of copies the first week and sit on them and pay the lease fee for the next six months," Solomon says.

Within the last three months, the studios have, by and large, abandoned the lease-rental plans and indications are that price-cutting is in vogue now.

At the Consumer Electronics Show in Chicago in June, Paramount announced a new mid-

Projected revenues: Pay TV and home video

(in billions)

Pay TV/home video combined

1982	1985	1990
$3.1	$7.8	$20.9

Pay TV (pay cable, STV, MDS, STV)

$1.9	$5.4	$17.
63.3% market share	68.7%	81.5%

Home video (cassettes and discs)

$1.1	$2.4	$3.9

Source: International Resources Development Inc.

The typical videodisc player owner is squirreling away an average of 30 discs per year at about $29.95 per disc.

they appeal to a different audience (14 to 25 years). In the middle are the video software who are particularly vulnerable to downloading (on cable) of software of all kinds, including movies. The development of a rental market for videodiscs could destroy the sell-though market ... (Record rental) is becoming a major problem for the record industry. . . It could make the prerecorded tape business completely unattractive to the movie producers if they are not getting their share of those dollars."

Smith argues one cannot assume pay cable will undermine the demand for discs and tapes in a cable market. The fact that people are buying a phenomenal number of videodiscs indicates the alternative vehicle has appeal—if attractively priced.

The sought-after increase in sell-through depends on the future of the VCR and the player as mass market items, increased production volume and accompanying price reductions. "Whether the studios might find it more to their advantage to de-emphasize sale as opposed to going on cable for the second phase of release (instead of the third), it is just not clear, because we don't know what the economics will be," Smith says.

Perhaps the right question to ask is: What will be the second phase in the distribution cycle—pay cable or pre-recorded tape and disc?

A leash on taping

In the meantime, the movie studios view the unfettered VCR as more than a drain on sales of videocassettes and discs—it's a threat to the lifeblood of free TV.

Chief spokesman for the movie industry, Jack Valenti, president of the Motion Picture Association of America (MPAA), says Americans watch as much TV as they can handle already.

By the end of the decade, hours per day of television usage will level off at about seven, slightly more than the average today, Valenti predicts. That says to him the "new media" will steal from the old, rather than expand the marketplace (and the dollars available) for new programming.

To plug the VCR-induced profit slide, the MPAA backs legislation recently introduced in Congress that would require a royalty tax: $50 per VCR and $1 per blank tape is the target figure.

Says Valenti: "If there is no copyright fee, if the VCRs are allowed to roam at will in the programming marketplace, the ultimate victims will be those American families who cannot afford these expensive machines, who depend on free, advertiser-supported television for their home entertainment.

For when the incentive to produce is blunted by millions of 'tapeworms' eating away at the concept of copyright, there will be less programs available to those who do not own video machines." (From a debate before the Congressional Arts Caucus, June 15, 1982.)

Valenti's complaint has received some sympathy in judicial quarters, namely with the federal appeals court's October decision branding home videotaping illegal and the recorder a tool of copyright infringement. The Sony Corp. appealed the decision to the U.S. Supreme Court, which decided in June to review the case. (See story, page 14)

On the manufacturers' side, we have the Home Recording Rights Coalition (HRRC), whose members include Sony Corp. of America, Matsushita, 3M, Sears Roebuck, the Electronic Industries Association, RCA/Consumer Electronics and the Video Software Dealers Association.

The HRRC contends that VCRs "have opened up an entirely new and lucrative market for Hollywood, from the increased television revenue they receive—since the TV ratings series count VCR use—to the millions of dollars they gain from the sale and rental of tapes by small video stores in virtually every town and city. The VCR is the best friend Hollywood ever had." (From a fact sheet on royalty proposals published by HRCC.)

Consumer's Court

The future of the home video industry may not, in fact, lie in the

Rob Stuehrk

Congress and the courts. A royalty tax will not likely stop home taping, though it might make up a bit for lost revenues.

The remedy very well could lie in economics. "You have to bring down the price of the product to the point where piracy is of marginal utility," says Clive Smith. "You have to go after professional duplicators with more stringent legal sanctions (and regard) the other (home taping) as just a cost of doing business."

The healthy sales of videodiscs relative to videodisc players and Paramount's acknowledgment that pricing has something to do with volume, could prove to be the beginnings of a shift in the marketplace. Where prices of prerecorded tapes and hardware to go along, descend to the realm of mass merchandising, the studios might find they are making up in volume what they lose by lowering prices.

At a certain price point—and there is much experimenting to be done before that point is realized—the hassle of taping is not worth the extra cost involved in direct purchase. At that point, it becomes not a question of *either* pay cable or cassettes and tapes, where one is vastly superior price-wise to the other. It becomes not a question of renting tapes or copying off-air rather than buying, where the purchase price is prohibitive.

After the Supreme Court has had its say and the U.S. Congress has chewed on the subject for awhile, it may be the answer was simply waiting on the classic ploy: a buy that is truly a bargain. ■

Within the last three months, the studios have, by and large, abandoned the lease-rental plans, and indications are that price-cutting is in vogue now.

© Titsch Communications, Inc., 1982. All rights reserved. *CableVision Plus* is a supplement to *CableVision* magazine, published by Titsch Communications, Inc., 2500 Curtis Street, Denver, Colorado 80205 or P.O. Box 5727-TA, Denver, CO 80217.